

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.H  
**Mtg. Date** June 21, 2016  
**Dept.** Public Works

**Item Title:** **Rejecting all bids for the 2015 CIP Street Rehabilitation Project, Slurry**

**Staff Contact:** Mike James, Public Works Director and Tim Gabrielson, City Engineer

**Recommendation:**

Adopt a resolution (**Attachment B**) rejecting all bids for the 2015 CIP Street Rehabilitation Project, Slurry (Contract No. 2016-27).

**Item Summary:**

In keeping with the roadway improvements per the City's adopted pavement management program, the City advertised the 2015 CIP Street Rehabilitation Project, Slurry. On May 31, 2016, the City received three sealed bids from pre-qualified construction contractors. The apparent low bidder was Koch-Armstrong at \$193,177.23. The engineer's estimate for this project was \$164,500.00. The lowest bid received was 17 percent or \$28,677.23 greater than the engineer's estimate.

The staff report (**Attachment A**) details the streets that were included in bid request, an analysis of the bid's received, and concludes with staff recommendation to adopt a resolution (**Attachment B**) rejecting all bids for the 2015 CIP Street Rehabilitation Project, Slurry (Contract No. 2016-27).

**Fiscal Impact:**

TransNet funds were budgeted for this project as part of the Five-Year Capital Improvement Program. .

**Environmental Review:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review     | <input type="checkbox"/> Negative Declaration           |
| <input type="checkbox"/> Categorical Exemption, Section 15304 | <input type="checkbox"/> Mitigated Negative Declaration |

**Public Information:**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Resolution



## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.H

Mtg. Date June 21, 2016

**Item Title:** Rejecting all bids for the 2015 CIP Street Rehabilitation Project, Slurry

**Staff Contact:** Mike James, Public Works Director and Tim Gabrielson, City Engineer

**Discussion:**

In keeping with the City's pavement management program (PMP) staff solicited bids for the 2015 CIP Street Rehabilitation, Slurry (Contract No. 2016-27) to treat the following streets:

Street Name	Limits
Corte Del Sur	Primera to cul-de-sac
Placentia St.	El Prado to San Altos
Ramon	Madera to La Corta
Deborah Pl.	Longdale to Longdale
El Dora St.	Lemon Grove Ave. to Alton Drive
La Corte St.	Massachusetts to Ramon
Roy St.	Kemp St. to Washington St.
Lebuan Dr.	Sarawak to Blossom Ln.
El Prado Ave.	Massachusetts Ave. to Ramon
Patero Ct.	El Prado to cul-de-sac
Plata Ct.	Primera to cul-de-sac
Arcadia	Citronella to Mt. Vernon
Deville Dr.	Watwood to City limits
La Corte Cir.	La Corte St. to La Corte St.
New Jersey Ave.	Broadway to San Miguel
Longdale	Citronella to Skyline Dr.
Alberdi Dr.	El Prado Ave. to San Altos Pl.

In addition to the slurry treatment the contractor was asked to provide cost estimates for 4,309 linear feet of striping and 21 stop legends.

# Attachment A

In May 2016, the City invited sealed bids for the 2015 CIP Street Rehabilitation Project, Slurry (Contract No. 2016-27) from the City's pre-qualified list of contractors. On May 31, 2016, the City received 3 sealed bids. Each company is listed below with its location and project bid total.

Bidder's Name	Location	Amount
Koch-Armstrong	Lakeside, CA	\$193,177.23
Pavement Coatings Co.	Jurupa Valley, CA	\$213,861.86
All American Asphalt	Corona, CA	\$247,256.80
Average Bid Amount		<b>\$218,098.63</b>

The engineer's estimate for this project was \$164,500. The lowest bid was submitted by Koch Armstrong in the amount of \$193,177.23, which is 17 percent over the engineer's estimate and \$28,677.23 over the amount budgeted for this project.

Considering the rather large differential between the engineer's estimate and lowest bid received, staff reviewed its process used for creating an engineer's estimate. During this analysis staff concluded that in this instance the difference could be due to the advertised compressed work schedule, increasing market competition, and higher costs related to the rubberized asphalt emulsion called for versus conventional slurry specifications.

In moving forward, staff anticipates the same streets that were bid as a part of this project will be included in the Fiscal Year 2016-2017 (FY 2016-17) paving project which is anticipated to be advertised no later than Fall 2016. Staff anticipates that at the end of next fiscal year the city will have treated the majority of the streets listed on its pavement management program up to FY 2016-17.

## Conclusion:

Staff recommends that the City Council adopt a resolution (**Attachment B**) rejecting all bids for the 2015 CIP Street Rehabilitation Project, Slurry (Contract No. 2016-27).

## Attachment B

### RESOLUTION NO. 2016-\_\_\_\_\_

#### RESOLUTION OF THE LEMON GROVE CITY COUNCIL REJECTING ALL BIDS FOR THE 2015 CIP STREET REHABILITATION, SLURRY PROJECT

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**WHEREAS**, the City of Lemon Grove's Five-Year Capital Improvement Program earmarks funding for the 2015 CIP Street Rehabilitation, Slurry project; and

**WHEREAS**, bids were solicited and three sealed bids were received for the 2015 CIP Street Rehabilitation, Slurry, Project; and

**WHEREAS**, bids were opened and read aloud and the lowest responsive bidder was Koch-Armstrong; and

**WHEREAS**, all bids, including the lowest bid, were over the City's \$170,000 budget and \$164,500 engineer's estimate; and

**WHEREAS**, the City Council finds it in the public interest that all bids be rejected and rebid the project next fiscal year.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lemon Grove, California hereby rejects all bids for the 2015 CIP Street Rehabilitation, Slurry Project received on May 31, 2016.

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